

ACQUISITION AGREEMENT

(USA-RUSSIA-01)

BETWEEN

**THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA,
REPRESENTED BY
UNITED STATES ARMY, EUROPE**

AND

**THE MINISTRY OF DEFENSE
OF THE RUSSIAN FEDERATION
REPRESENTED BY
THE MOSCOW MILITARY DISTRICT (MMD)**

This Agreement will become effective on the date of the last signature

**ACQUISITION AGREEMENT
(USA-RUSSIA-01)
BETWEEN
THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA
REPRESENTED BY
UNITED STATES ARMY, EUROPE,
AND
THE MINISTRY OF DEFENSE
OF THE RUSSIAN FEDERATION,
REPRESENTED BY
THE MOSCOW MILITARY DISTRICT (MMD)**

I. PURPOSE

This Agreement between the Department of Defense (DoD) of the United States of America (represented by United States Army, Europe) and the Ministry of Defense (MoD) of the Russian Federation (represented by the Moscow Military District-MMD), hereinafter referred to as the Parties, is entered into for the purpose of establishing basic terms, conditions, and procedures to facilitate the provision of logistic support to DoD elements for the Exercise TORGAU 07, during the period of August to October 2007.

II. SUPPORT PROVISIONS

1. The following Logistic Support, Supplies and Services (LSSS) will be provided by the Russian MoD (later referred to as the Supporting Party) to the Visiting Units (VU) also referred to as the Receiving Party:

- a. Lodging services
- b. Meals
- c. Base operation and maintenance (including utilities)
- d. Fuel
- e. Lodging and meals for locally contracted linguists.
- f. Transportation services

III. TERMS AND CONDITIONS

1. Above listed LSSS will be ordered in writing in an agreed upon format and signed by an authorized individual, representing the Requesting Party, for the provision of specific logistic support, supplies, and services pursuant to this Agreement. Orders may be placed or accepted only by the Points of Contact (POC), or designees, identified by the Parties in Annexes B and C of this Agreement. Orders must include all the data elements in Annex A, as well as any other terms and details necessary to carry out the transfer. Instructions and a standard order form are attached at Annex A. The number of this Agreement, USA-RUSSIA-01, should be annotated on all Orders and related correspondence.

2. In pricing a reimbursable transaction, the Parties agree to the following reciprocal pricing principles:

a. In the case of specific acquisition by the Supporting Party from its contractors on behalf of a Receiving Party, the price shall be no less favorable than the price charged the military forces by the contractor of the Supporting Party for identical items or services. Prices charged shall exclude all taxes, duties, and similar charges which the Receiving Party is exempted from paying under other agreements which the Governments of the Parties have concluded. The price charged may take into account differentials due to delivery schedules, points of delivery, and other similar considerations.

b. In the case of transfer from the Supporting Party's own resources, the Supporting Party shall charge the same price charged its own military forces for identical LSSS, as of the date delivery or performance occurs, less taxes, duties, and similar charges which the Receiving Party is exempted from paying. In any case where a price has not been established or charges are not made for one's own military forces, the Parties shall agree on a price in advance, reflecting reciprocal pricing principles, excluding charges that are precluded under these same reciprocal pricing principles.

3. The individual designated by the Receiving Party to receive the LSSS on behalf of the Receiving Party shall sign the standard order form (Annex A) in the appropriate block as evidence of receipt. If the standard order form is not available at the Supporting Party's point of issue, the individual receiving the LSSS shall sign the receipt document provided by the Supporting Party as a substitute. The number of this Agreement, USA-RUSSIA-01, shall be entered on the receipt document.

4. The Supporting Party's Billing POC shall submit invoices to the Receiving Party's Paying POC after delivery or performance of the LSSS. Invoices shall be accompanied by necessary support documentation and shall be paid within thirty (30) days of the date prepared. Payment shall be made in the currency of the Supporting Party or as otherwise agreed in the order.

5. Upon request, the Supporting Party agrees to provide information sufficient to verify that reciprocal pricing principles have been followed or that no more than actual cost incurred are charged and that prices do not include waived or excluded costs, duties or taxes.

6. Logistic support, supplies, and services received through this Agreement shall not be retransferred, either temporarily or permanently, to any entity other than the Receiving Party without the prior written consent of the Supporting Party.

IV. INTERPRETATION, AMENDMENTS, AND REVISION OF INFORMATION

1. Any disagreements regarding the interpretation or application of this Agreement or transactions executed hereunder shall be resolved through consultation between the Parties and shall not be referred to any international tribunal or third party for settlement.

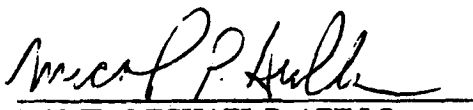
2. This Agreement may be amended only by written agreement between the Parties.

3. This Agreement shall enter into force on the date of the last signature and shall remain in force until terminated by the mutual consent of the Parties or until all specified transactions are completed. Notwithstanding termination of this Agreement, all reimbursement obligations incurred pursuant to its terms shall remain binding on the responsible Party until satisfied.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have signed this Agreement.

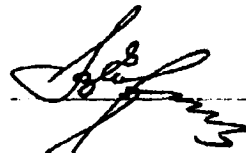
DONE, in duplicate in the English and Russian languages, each being equally authentic.

FOR THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES
OF AMERICA


NAME: MICHAEL P. AEILLO
Chief, US Army, Europe Agreements Division

at: Heidelberg, GE.
on: 13 September 2007

FOR THE
MINISTRY OF DEFENSE
OF THE RUSSIAN FEDERATION


NAME
Title
General-Lieutenant Vladimir Chirkin
Deputy Commander
Moscow Military District
at: Moscow, Russia
on: 10 September 2007